Health Care Financing Notes

Medicare: Use of Hospital Outpatient Services, 1979

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The mission of the Health Care Financing Administration is to promote the timely delivery of appropriate, quality health care to its beneficiaries—approximately 47 million of the nation's aged, disabled, and poor. The Agency must also ensure that program beneficiaries are aware of the services for which they are eligible, that those services are accessible and of high quality, and that Agency policies and actions promote efficiency and quality within the total health care delivery system.

HCFA's Office of Research, Demonstrations, and Statistics (ORDS) conducts studies and projects that demonstrate and evaluate optional reimbursement, coverage, eligibility, and management alternatives to the present Federal programs. ORDS also assesses the impact of HCFA programs on health care costs, program expenditures, beneficiary access to services, health care providers, and the health care industry. In addition, ORDS monitors national health care expenditures and prices and provides actuarial analyses on the costs of current HCFA programs as well as the impact of possible legislative or administrative changes in the programs.

The purpose of the ***Health Care Financing Notes*** is to provide the public with descriptive program data or information as soon as it becomes available. Data are presented here in a brief, concise format. Frequently a more comprehensive analysis of the data may be available at a later time in one of the Health Care Financing Administration's other publications.

Medicare: Use of Hospital Outpatient Services, 1979

By: Raymond L. Goldsteen

This *Note* presents preliminary data on the use of hospital outpatient services by aged and disabled Medicare beneficiaries in 1979. Diagnostic and therapeutic hospital outpatient services are covered under the supplementary medical insurance (SMI) program. Diagnostic services are examinations or tests for assessing medical conditions or for identifying diseases. These include the services of nurses, psychologists, and technicians; drugs needed for diagnosis; and the use of supplies and equipment. Therapeutic services are those that aid physicians in treating patients and must pertain to physicians' services. Services include the use of hospital facilities such as clinic and emergency rooms, the services of various hospital personnel, speech and physical therapy services, and medical supplies and medical devices. Excluded are charges by physicians except in cases where they elect to have hospitals do the billing for them.

Beneficiaries with end-stage renal disease (ESRD), use hospital outpatient benefits primarily for renal dialysis services. However, renal dialysis treatments are also furnished by freestanding dialysis centers, that is, centers without hospital affiliation. Dialysis in these facilities also is covered under the SMI outpatient benefit but these data are not included in this report.[1] Data for services used by persons with ESRD in hospital outpatient facilities are included (where specified) in this *Note* but are not shown separately.

Table 1 shows hospital outpatient covered charges and reimbursements for 1974-1979 for all enrollees, and breakouts for aged and disabled beneficiaries.[2] Aged and disabled beneficiaries include persons with ESRD.[3]

Table 2 shows, for all enrollees, hospital outpatient covered charges and covered charges per enrollee in 1979 by type of service and by sex, race, and type of entitlement. For type of entitlement, the disabled excludes persons under 65 years of age with ESRD.

Table 3 shows, for all enrollees, the number of visits and covered charges for hospital outpatient clinic and emergency room services in 1979 by sex, race, and type of entitlement. For type of entitlement, the disabled excludes persons under 65 years of age with ESRD.

Tables 4 and 5 show covered charges and reimbursements of hospital outpatient services in 1979 for aged and disabled beneficiaries, respectively, by area of residence. Table 5 excludes persons with ESRD because in States with small numbers of disabled beneficiaries the inclusion of persons with ESRD who use a large amount of services may distort the average reimbursement per enrollee.

The data for 1979 are based on bills recorded 6 months after the year of service (July 1, 1980). Data for the years 1974-1978 are based on bills recorded 12 months after the year of service. Thus, the data for 1979 is less complete than for earlier years. To make national totals for 1979 comparable to earlier years, the estimates for 1979 should be increased approximately 2 percent.

Highlights of the data shown in the tables follow.

Charges and Reimbursements, 1974–1979

All Medicare Enrollees

- Between 1974 and 1979, total charges for covered hospital outpatient services to all Medicare enrollees increased 210 percent, from $535 million to $1,660 million—an average annual increase of 25.4 percent (Table 1). Reimbursements increased at an average annual rate of 28.5 percent, from $323 millions to $1,132 million, an overall increase of 250 percent.

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[1] Other outpatient benefits under Medicare include services in community health centers, rural health clinics, and non-hospital outpatient physical therapy services.

[2] Prior to 1974, data for hospital outpatient services were not tabulated separately from the data for all outpatient services.

[3] The Social Security Amendments of 1972 extended Medicare coverage to two groups of persons: (1) to persons who have been receiving monthly social security or railroad benefits based on their disability, and who have been entitled to monthly disability benefits for at least 24 consecutive months; and (2) to person under 65 years of age who require hemodialysis or renal transplantations for chronic renal disease and who are currently or fully insured, or entitled to monthly social security benefits or are the spouses or dependent children of such insured or entitled persons. For both groups, 1974 was the first full year of coverage under Medicare.

- In 1979, reimbursements for hospital outpatient services accounted for 4.1 percent of total Medicare reimbursements, up from 2.8 percent in 1974.
- The average amount reimbursed per enrollee increased from $14 in 1974 to $42 in 1979, an average rate of increase of 25.0 percent per year.

Aged

- Covered charges incurred by the aged increased from $395 million in 1974 to $1,203 million in 1979, an average annual increase of 25.0 percent. In the same period, the average annual increase of reimbursements to the aged was 29.2 percent, from $221 million to $797 million.
- Hospital outpatient reimbursements as a percent of total Medicare reimbursements for the aged increased from 2.1 percent in 1974 to 3.3 percent in 1979. As a percentage of SMI reimbursements, hospital outpatient services increased from 7.7 to 11.3 percent.
- Average charges per aged enrollee rose at an annual average rate of 22.7 percent—from $18 in 1974 to $50 in 1979. During the same period, the average annual increase of reimbursements per enrollee rose even more—26.3 percent—from $10 to $33.

Disabled

- Covered charges incurred by the disabled (including persons with ESRD) increased from $141 million in 1974 to $457 million in 1979— an average annual increase of 26.6 percent.
- Reimbursements for disabled enrollees also rose at an average annual rate of 26.7 percent, from $103 million in 1974 to $335 million in 1979. The amount reimbursed per disabled enrollee increased from $57 to $126—an average annual rate of increase of 17.1 percent.
- Hospital outpatient reimbursements as a percent of total Medicare reimbursements for the disabled remained at about 9.2 percent between 1974 and 1979. As a percentage of SMI reimbursements, hospital outpatient services decreased from 27.9 percent in 1974 to 24.4 percent in 1979. This reflects, in part, increased use by ESRD enrollees of free-standing dialysis facilities and home dialysis.
- In 1979, the proportion of hospital outpatient reimbursements to all outpatient reimbursements (hospital and nonhospital) was 59 percent for the disabled compared to 83 percent for the aged. The lower rate for the disabled largely reflects reimbursements made for kidney dialysis treatments to ESRD enrollees in nonhospital settings.

Covered Charges by Type of Service, 1979

- The largest proportions of hospital outpatient charges for specified services were incurred for radiology (20 percent) and laboratory (19 percent) services. Clinic and emergency room services accounted for about 9 and 8 percent, respectively, of the total charges (Table 2).
- The "other" category (which includes charges for computerized axial tomography, durable medical equipment, blood administration, dialysis services, etc.) accounted for nearly 38 percent of the total charges.
- There were notable differences by race in the amount and distribution of charges for hospital outpatient services.
  - —The total incurred charges per nonwhite enrollee ($111) was almost twice as high as that of white enrollees ($57). The most notable difference was in the use of clinic and "other" services.
  - —For whites, the average charges for clinic services were $4 per enrollee. For other races, the average clinic charges per enrollee were $20. Hospital outpatient clinics are important sources of primary care for nonwhites, especially in metropolitan areas.[4]
  - —Average charges per enrollee for "other" services for persons of all other races, $47, were more than double the charges for whites, $21. This may reflect the higher proportion of persons with ESRD among nonwhites and greater charges for dialysis services.[5]
- The average total charge per disabled enrollee without ESRD ($73) was about 47 percent higher than the average for the aged ($50).

Hospital Outpatient Clinic and Emergency Room Utilization, 1979[6]

- Table 3 shows that Medicare enrollees using hospital outpatient clinic services made 5.1 million visits and incurred charges of $142.6 million—an average of $28 per visit. For emergency room services, Medicare enrollees made 5.0 million visits and incurred charges of $135.7 million, an average of $27 per visit.
- The overall rate of use of clinic services (189 visits per 1,000 enrollees) and emergency room services (186 per 1,000 enrollees) were nearly the same.
- By type of entitlement, the disabled (excluding persons with ESRD) used clinic services at a rate 2.7 times that of aged beneficiaries (431 and 161 visits per 1,000 enrollees, respectively). Similarly, the disabled used emergency room services at a rate 2.2 times greater than the aged (358 and 166 visits per 1,000 enrollees, respectively).

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[4] See Martin Ruther and Herbert A. Silverman, "Medicare: The Use of Hospital Outpatient Services by Medicare Beneficiaries, 1977" Health Care Financing Research Report, in press.

[5] In 1979, 2.7 percent of all the disabled nonwhites ever enrolled during the year had ESRD. The comparable figure for whites was 1.2 percent. (Unpublished HCFA tabulations)

[6] The hospital outpatient bill (HCFA 1483, see Appendix 1) provides data on units of service only for clinic and emergency room services. For these services the unit of service is the visit. A visit is counted for each distinct service received. For example, visits to the ophthalmology and dermatology clinics on the same day would count as two visits.

Reimbursement by Residence, 1979

There were wide differences in the distribution of Medicare hospital outpatient benefits by residence.

Aged

- In 1979, the average hospital outpatient reimbursement per aged enrollee in the United States was $33. By region, the highest average was to residents in the West, $44; the lowest was to those in the South, $23. By State, Alaska ($65) and Massachusetts ($66) had the highest average reimbursement per enrollee. Kentucky had the lowest average among all states ($15) (Table 4).

Disabled Excluding ESRD Enrollees

- In 1979, the average reimbursement per disabled enrollee excluding those with ESRD was $50. This was 50 percent more than the average for the aged ($33). By region, the average reimbursement per enrollee ranged from $76 in the West to $33 in the South. By State, the average ranged from $100 in Massachusetts to $18 in South Dakota (Table 5).

Enrollees with ESRD have been excluded from Table 5 because they incur very high charges for dialysis. This exclusion prevents distortion of the average hospital outpatient charges and reimbursement per beneficiary in States with relatively many ESRD users and comparatively few disabled users without ESRD.

Sources and Limitations of Data

The hospital outpatient data in this *Note* were derived from a 5 percent sample of persons enrolled for supplementary medical insurance. Sample counts were multiplied by 20 to estimate the totals. Data for 1979 were taken from bills for services performed in hospital outpatient departments during that year and tabulated by the Health Care Financing Administration's central records as of July 1, 1980 (that is, 6 months following the year of service). It is estimated that these bills represent about 98 percent of the eventual reimbursements for hospital outpatient services in 1979. Data for the years 1974-1978 were based on bills recorded 12 months following the year of service. Payments for hospital outpatient services shown in this report are based on interim rates that may be adjusted after the end of the hospital's accounting year based on reasonable costs of operation.

Hospitals submit bills for all hospital outpatient services to Medicare beneficiaries. Medicare reimbursements were made only if the patient exceeded the SMI deductible of $60. This often depends on the use of other SMI covered services, particularly physicians' and other related medical services. Therefore, the Medicare files used to prepare this report contain a record of all beneficiaries who used covered hospital outpatient services. That is, the hospital outpatient figures shown reflect users of covered services whether or not they were reimbursed by the Medicare program.

Standard Error Tables

Tables 6 and 7 show approximate standard errors for estimates in this report. The standard error is primarily a measure of sampling variability, that is, the variation that occurs by chance because a sample rather than the whole population is used. To calculate standard errors at reasonable costs, approximation methods were used. Thus, these tables are only indicators of the order of magnitude of the standard errors for specific estimates. In general, estimates for small subgroups and percentages or means with small bases tend to be relatively unreliable.

Definition

Disabled Medicare Enrollee—These persons consist of two groups of enrollees. The first group are persons who have been entitled to cash disability benefits for at least 24 consecutive months. Some of these persons entitled to cash disability benefits have end stage renal disease (ESRD). The second group are persons who are not entitled to cash disability benefits or persons who have not been entitled to cash disability benefits for 24 consecutive months. They are entitled to Medicare because they have ESRD and meet certain social security insured status requirements.

TABLE 1

Use of Hospital Outpatient Services by the Aged and Disabled: Covered Charges and Reimbursement, 1974-79

(dollar amounts in thousands)

Year Service Incurred 1/	SMI Enrollment 2/	Covered Charges	Total Reimbursements		
			Amount	Per Enrollee	As Percent of Charges
		All Beneficiaries			
1974	23,166,570	$ 535,296	$ 323,383	$ 13.96	60.4
1975	23,904,551	747,518	469,875	19.66	63.0
1976	24,614,402	974,708	630,323	25.61	64.7
1977	25,363,468	1,175,878	773,490	30.50	65.8
1978	26,074,085	1,384,067	923,658	35.45	66.7
1979	26,757,329	1,660,363	1,132,202	42.31	68.2
Percent Change, 1974-79	16	210	250	203	13
		Aged			
1974	21,421,545	$ 394,680	$ 220,742	$ 10.30	55.9
1975	21,945,301	546,095	323,563	14.74	59.3
1976	22,445,911	704,569	432,971	19.29	61.5
1977	22,990,826	855,412	540,040	23.49	63.1
1978	23,530,893	1,005,467	648,249	27.55	64.5
1979	24,098,491	1,203,048	797,442	33.09	66.3
Percent Change, 1974-79	12	205	261	221	19
		Disabled			
1974	1,745,019	$ 140,617	$ 102,641	$ 57.07	70.8
1975	1,959,248	201,423	146,312	74.69	72.6
1976	2,168,467	270,139	197,352	91.03	73.1
1977	2,372,594	320,466	233,450	98.38	72.8
1978	2,543,162	378,600	275,409	109.03	72.7
1979	2,658,838	457,315	334,760	125.90	73.2
Percent Change, 1974-79	52	225	226	121	3

1/ 1974-78 Figures based on data recorded one year after the year service was incurred. 1979 data are preliminary and are based on data recorded as of July 1, 1980 (six months following the year of service).

2/ As of July 1.

TABLE 2

Use of Hospital Outpatient Services by the Aged and Disabled: Charges, Percent Distribution, and Average Charge per Enrollee by Type of Service, Sex, Race, and Type of Entitlement, 1979

Sex, Race, and Type of Entitlement	Total	Clinic	Emergency Room	Laboratory	Radiology	Pharmacy	Physical Therapy	Other 1/
				Charges (in thousands)				
Total	$1,660,363	$142,580	$135,698	$309,495	$338,389	$33,138	$71,992	$629,071
Sex:								
Men	762,193	58,373	61,717	130,979	142,940	16,919	26,817	324,448
Women	898,170	84,207	73,981	178,516	195,449	16,219	45,175	304,623
Race:								
White	1,346,500	89,386	114,003	256,853	296,138	28,086	64,098	497,936
All Other	274,398	50,181	18,751	44,966	33,770	4,367	5,914	116,449
Unknown	39,465	3,013	2,944	7,676	8,481	685	1,980	14,686
Type of Entitlement:								
Aged	1,203,048	106,514	109,813	245,230	297,397	22,859	61,058	360,177
Disabled 2/	194,859	34,720	24,910	35,643	37,045	5,615	9,481	47,445
				Percent Distribution				
Total	100.0	8.6	8.2	18.6	20.4	2.0	4.3	37.9
Sex:								
Men	100.0	7.7	8.1	17.2	18.8	2.2	3.5	42.5
Women	100.0	9.4	8.2	19.9	21.8	1.8	5.0	33.9
Race:								
White	100.0	6.6	8.5	19.1	22.0	2.1	4.7	37.0
All Other	100.0	18.3	6.8	16.4	12.3	1.6	2.2	42.4
Unknown	100.0	7.6	7.5	19.5	21.5	1.7	5.0	37.2
Type of Entitlement:								
Aged	100.0	8.9	9.1	20.4	24.7	1.9	5.1	29.9
Disabled 2/	100.0	17.8	12.8	18.3	19.0	2.9	4.9	24.3
				Charges Per Enrollee				
Total	$62.05	$5.33	$5.07	$11.57	$12.65	$1.24	$2.69	$23.51
Sex:								
Men	67.45	5.17	5.46	11.59	12.65	1.50	2.37	28.71
Women	58.11	5.45	4.79	11.55	12.64	1.05	2.92	19.71
Race:								
White	57.15	3.79	4.84	10.90	12.57	1.19	2.72	21.13
All Other	110.65	20.24	7.56	18.13	13.62	1.76	2.38	46.96
Unknown	55.12	4.21	4.11	10.72	11.85	.96	2.77	20.51
Type of Entitlement:								
Aged	49.92	4.42	4.56	10.17	12.34	.95	2.53	14.95
Disabled 2/	73.29	13.06	9.37	13.41	13.93	2.11	3.57	17.84

1/ The "other" category includes charges for computerized axial tomography, durable medical equipment, blood administration, dialysis services, etc.
2/ Excludes all persons under age 65 with ESRD.

TABLE 3

Use of Hospital Outpatient Clinic and Emergency Room Services by the Aged and Disabled: Visits and Charges by Sex, Race, and Type of Entitlement, 1979

(visits and charges in thousands)

Sex, Race, and Type of Entitlement	Clinic Services				Emergency Room Services			
	Visits		Charges		Visits		Charges	
	Number	Per 1,000 Enrollees	Amount	Per Visit	Number	Per 1,000 Enrollees	Amount	Per Visit
Total	5,050	189	$142,580	$28.23	4,978	186	$135,698	$27.26
Sex:								
Men	2,067	183	58,373	28.24	2,242	198	61,717	27.53
Women	2,983	193	84,207	28.23	2,736	177	73,981	27.04
Race:								
White	3,207	136	89,386	27.87	4,252	180	114,003	26.81
All Other	1,722	694	50,181	29.14	621	250	18,751	30.19
Unknown	121	169	3,013	24.90	105	147	2,944	28.04
Type of Entitlement:								
Aged	3,876	161	106,514	27.48	4,002	166	109.813	27.44
Disabled 1/	1,127	431	34,720	30.81	943	358	24,910	26.42

1/ Excludes all persons under age 65 with ESRD.

TABLE 4

Use of Hospital Outpatient Services by the Aged: Covered Charges and Reimbursements, by Residence, 1979

(dollar amounts in thousands)

Area of Residence	Covered Charges	Total Reimbursements		
		Amount	Per Enrollee 1/	As Percent Of Charges
All Areas	$1,203,048	$797,442	$33.09	66.3
United States 2/	1,200,183	795,631	33.32	66.3
Northeast	376,221	244,608	42.28	65.0
North Central	300,735	193,561	30.26	64.4
South	276,045	181,349	23.46	65.7
West	247,182	176,113	44.39	71.2
New England	108,798	75,564	52.09	69.5
Connecticut	20,215	13,978	40.17	69.1
Maine	10,489	5,898	42.85	56.2
Massachusetts	62,896	45,257	65.59	72.0
New Hampshire	5,380	3,721	37.92	69.2
Rhode Island	6,924	4,729	39.30	68.3
Vermont	2,894	1,981	35.05	68.5
Middle Atlantic	267,424	169,044	39.00	63.2
New Jersey	40,810	28,714	35.01	70.4
New York	132,003	83,868	40.67	63.5
Pennsylvania	94,611	56,462	38.88	59.7
East North Central	218,936	139,619	32.61	63.8
Illinois	59,956	39,515	33.20	65.9
Indiana	24,913	16,480	29.66	66.2
Michigan	65,209	40,164	45.72	61.6
Ohio	46,056	30,198	27.24	65.6
Wisconsin	22,801	13,262	24.16	58.2
West North Central	81,799	53,942	25.50	65.9
Iowa	13,101	8,425	22.41	64.3
Kansas	11,298	7,743	26.30	68.5
Minnesota	23,422	15,770	34.05	67.3
Missouri	22,605	14,467	23.48	64.0
Nebraska	6,138	3,919	19.65	63.8
North Dakota	2,185	1,481	18.86	67.8
South Dakota	3,051	2,137	24.23	70.0
South Atlantic	164,590	108,580	27.55	66.0
Delaware	3,512	2,329	41.38	66.3
District Of Columbia	5,487	3,945	60.53	71.9
Florida	55,125	39,594	26.54	71.8
Georgia	20,764	13,882	29.38	66.9
Maryland	21,092	13,376	37.54	63.4
North Carolina	19,024	11,174	20.11	58.7
South Carolina	8,507	4,537	17.43	53.3
Virginia	22,090	15,273	33.26	69.1
West Virginia	8,990	4,471	19.98	49.7
East South Central	44,706	28,457	18.45	63.7
Alabama	12,507	8,363	20.52	66.9
Kentucky	10,192	5,980	15.46	58.7
Mississippi	7,439	4,843	18.11	65.1
Tennessee	14,567	9,271	19.29	63.6
West South Central	66,749	44,312	19.73	66.4
Arkansas	7,918	5,398	18.59	68.2
Louisiana	10,851	6,759	19.34	62.3
Oklahoma	11,198	7,610	21.95	68.0
Texas	36,782	24,545	19.49	66.7
Mountain	50,468	34,710	35.71	68.8
Arizona	12,546	8,611	31.70	68.6
Colorado	13,272	9,194	39.90	69.3
Idaho	4,906	3,274	36.82	66.7
Montana	3,061	2,004	24.67	65.5
Nevada	4,532	3,253	55.89	71.8
New Mexico	5,757	4,047	38.30	70.3
Utah	5,213	3,592	35.97	68.9
Wyoming	1,182	734	20.47	62.1
Pacific	196,715	141,403	47.21	71.9
Alaska	799	565	65.05	70.8
California	164,054	118,911	53.22	72.5
Hawaii	3,206	2,066	30.37	64.4
Oregon	13,496	9,505	33.74	70.4
Washington	15,160	10,357	25.71	68.3
Outlying Areas 3/	2,865	1,811	8.23	63.2

1/ Based on Supplementary Medical Insurance enrollment as of July 1,1979.
2/ Consists of 50 States and the District of Columbia.
3/ Consists of Puerto Rico, Virgin Islands, Guam, other areas, and residence unknown.

TABLE 5

Use of Hospital Outpatient Services by the Disabled Excluding ESRD: Covered Charges and Reimbursements, by Residence, 1979

(dollar amounts in thousands)

Area of Residence	Covered Charges	Total Reimbursements		
		Amount	Per Enrollee 1/	As Percent of Charges
All Areas	$194,858	$130,742	$49.59	67.1
United States 2/	194,422	130,479	50.27	67.1
Northeast	56,828	37,445	65.40	65.9
North Central	41,936	27,600	45.54	65.8
South	49,629	32,212	32.89	64.9
West	46,029	33,222	75.89	72.2
New England	13,303	9,299	74.39	69.9
Connecticut	2,280	1,532	55.02	67.2
Maine	1,408	845	58.29	60.0
Massachusetts	7,826	5,711	99.83	73.0
New Hampshire	516	356	44.74	68.9
Rhode Island	940	633	53.76	67.4
Vermont	333	222	38.73	66.6
Middle Atlantic	43,525	28,145	62.89	64.7
New Jersey	7,967	5,733	67.94	72.0
New York	22,878	14,641	68.66	64.0
Pennsylvania	12,680	7,772	51.84	61.3
East North Central	32,287	21,062	47.63	65.2
Illinois	6,629	4,438	43.14	66.9
Indiana	3,294	2,195	38.25	66.6
Michigan	11,357	7,281	66.97	64.1
Ohio	7,798	5,203	40.83	66.7
Wisconsin	3,210	1,946	42.49	60.6
West North Central	9,649	6,538	39.92	67.8
Iowa	1,364	922	34.41	67.6
Kansas	1,441	1,045	52.50	72.6
Minnesota	2,175	1,473	45.78	67.7
Missouri	3,536	2,326	37.93	65.8
Nebraska	738	500	41.04	67.7
North Dakota	222	162	31.42	72.9
South Dakota	172	110	17.61	63.7
South Atlantic	29,227	18,835	38.25	64.4
Delaware	473	305	49.35	64.5
District Of Columbia	861	609	85.02	70.7
Florida	6,611	4,604	34.99	69.6
Georgia	4,994	3,331	40.92	66.7
Maryland	3,945	2,590	71.79	65.7
North Carolina	4,171	2,521	30.37	60.4
South Carolina	2,385	1,322	28.55	55.4
Virginia	3,571	2,397	39.67	67.1
West Virginia	2,216	1,157	28.74	52.2
East South Central	9,495	6,201	27.44	65.3
Alabama	2,313	1,565	27.09	67.6
Kentucky	1,854	1,091	19.43	58.8
Mississippi	1,710	1,145	27.17	67.0
Tennessee	3,618	2,400	34.33	66.4
West South Central	10,908	7,176	27.48	65.8
Arkansas	1,477	990	23.78	67.0
Louisiana	1,994	1,225	22.15	61.5
Oklahoma	1,585	1,075	28.85	67.8
Texas	5,852	3,886	30.62	66.4
Mountain	7,348	5,054	50.91	68.8
Arizona	2,089	1,418	48.36	67.9
Colorado	2,037	1,435	67.23	70.4
Idaho	724	483	56.76	66.7
Montana	357	239	29.51	66.9
Nevada	571	409	56.16	71.6
New Mexico	978	678	49.28	69.3
Utah	502	338	40.71	67.4
Wyoming	89	53	20.34	60.2
Pacific	38,681	28,168	83.22	72.8
Alaska	101	70	59.96	69.4
California	33,924	24,877	94.21	73.3
Hawaii	401	266	41.45	66.4
Oregon	1,637	1,141	41.47	69.7
Washington	2,618	1,813	46.13	69.3
Outlying Areas 3/	436	264	6.49	60.6

1/ Based on Supplementary Medical Insurance enrollment as of July 1,1979.
2/ Consists of 50 States and the District of Columbia.
3/ Consists of Puerto Rico, Virgin Islands, Guam, other areas, and residence unknown.

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TABLE 6
Approximate Standard Error of Estimated Charges and Reimbursement for Aged, Disabled, and ESRD Beneficiaries

(68 Chances out of 100)

Estimated Charges or Reimbursements	Standard Error	
	Aged and Disabled	ESRD
$ 1,000	$ 970	NA
3,000	2,900	NA
5,000	4,900	NA
10,000	9,700	NA
30,000	17,000	NA
50,000	23,000	NA
100,000	33,000	NA
300,000	59,000	260,000
500,000	78,000	330,000
1,000,000	110,000	480,000
3,000,000	220,000	870,000
5,000,000	290,000	1,200,000
10,000,000	450,000	1,700,000
30,000,000	880,000	3,100,000
50,000,000	1,200,000	4,000,000
100,000,000	1,800,000	5,600,000
300,000,000	3,000,000	8,400,000
500,000,000	3,000,000	NA

TABLE 7
Approximate Standard Error of Estimated Reimbursement as a Percent of Charges for Aged and Disabled Beneficiaries

(68 Chances out of 100)

Amount of Charges in Base (in Thousands)	Reimbursement as a Percent of Charges			
	40%	50%	60%	70%
$ 50	10.0	9.6	8.6	7.6
100	7.3	6.7	6.0	5.3
300	4.1	3.8	3.4	3.1
500	3.2	2.9	2.6	2.4
1,000	2.2	2.0	1.8	1.7
3,000	1.2	1.1	1.0	.98
5,000	.91	.86	.81	.77
10,000	.63	.59	.57	.55
30,000	.48	.47	.45	.44
50,000	.45	.43	.41	.36
100,000	.34	.32	.30	.27
300,000	.25	.23	.21	.18
500,000	.17	.16	.14	.13

Health Care Financing Notes

U.S. Department of Health and Human Services
Richard R. Schweiker, **Secretary**

Health Care Financing Administration
Carolyne K. Davis, **Administrator**

Office of Research, Demonstrations, and Statistics
James M. Kaple, **Acting Director**

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Karen Pelham O'Steen, **Research Publications Coordinator**
Donna L. Eskow, **Writer-editor**
Carol J. Pianalto, **Writer-editor**
Alice L. Young, **Writer-editor**
Cynthia Dingle, **Editorial Assistant**

Send changes of address or requests for this publication to:
ORDS Publications
Rm 1E9 Oak Meadows Building
6340 Security Blvd.
Baltimore, MD 21235.

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HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION
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